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Diana T Fritz 08/27/2006 06:01:02 PM From DB/Inbox: Search Results

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Text:

S E C R E T ABU DHABI 04541

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ACTION: ECON
INFO: AMB LEGAT DOJ P/M DCM POL

DISSEMINATION: ECON

CHARGE: PROG

APPROVED: AMB:MJSISON
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INFO RUEHZN/GULF COOPERATION COUNCIL COLLECTIVE
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

S E C R E T ABU DHABI 004541

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NOFORN

STATE FOR T U/S JOSEPH, PMCNERNEY
EB/ESC/TFS FOR JSALOOM, NP/RA FOR CRUSSELL
S/CT FOR TKUSHNER, MHAWTHORNE, GNOVIS
NSC FOR JZARATE, DSTEPHENS
TREASURY FOR SLEVEY, RWERNER
MANAMA FOR JBEAL

E.O. 12958: DECL: 11/01/2015

TAGS: [PARM](#) [KNNO](#) [KTFN](#) [ETTC](#) [AE](#)

SUBJECT: UAE CENTRAL BANK RAISES INDEMNIFICATION -- AGAIN

REF: A. ABU DHABI 4103
 [1](#). ABU DHABI 4230 (NOTAL)
 [1](#). SECSTATE 13956 (NOTAL)
 [1](#). ABU DHABI 4468

Classified By: (U) Classified by Ambassador Michele J. Sison, for reasons 1.5 (b) and (d).

[11.](#) (U) This is an action request, please see para 5.

[12.](#) (S/NF) OFAC analyst Andreas Morgner and IRS Special Agent Raymond Orzel met with UAE Central Bank and Ministry of Interior (MoI) officials on October 30th to discuss the UAE connections of international arms trafficker Victor Bout. Morgner and Orzel outlined the case against Bout and noted that his network continues to use the UAE as a base for its aircraft. Abdulrahim al-Awadi, Director of the Central Bank's Anti-Money Laundering and Suspicious Cases Unit (AMLSCU), began the meeting by strongly reiterating the Central Bank Governor's previous requests for indemnification to cover the Central Bank in the event the Central Bank is sued for freezing assets based on a U.S. request (refs A-C). Al-Awadi stated flatly that, "without indemnity we cannot act on any U.S. request." He also declared that the USG must take all future requests through the Ministry of Foreign Affairs and the Ministry of Justice -- "do not take them directly to the Central Bank." He continued, "If you give them (the MFA and the MoJ) information, then they will act within the laws and contact us, but without evidence, we

cannot act on any U.S. request."

¶13. (C) During the meeting at the MoI, Lt. Col Murad Mohammed Murad pledged to cooperate and investigate Bout's use of the UAE. He requested details on the individuals and companies operating in the UAE in Arabic. Embassy will translate the descriptors on OFAC's April 26, 2005 additions that relate to Victor Bout's network to the SDN list and provide it to the MoI.

Comment and Action Request

¶14. (S/NF) The UAE Central Bank has been requesting indemnity -- or some form of legal cover -- for over a year. Senior USG officials have told the Central Bank Governor that the U.S. cannot provide indemnity, but the Governor recently indicated that he would welcome a letter providing a legal opinion of how UNSCR 1540 obligates the UAE to freeze proliferator assets (refs A and B). Central Bank officials raise this issue at every single meeting with a U.S. interlocutor.

¶15. (U) Action Request. As requested ref D, please forward to Embassy a letter we may provide to the Central Bank laying out USG legal opinion on how UNSCR 1540 obligates the UAE to freeze proliferator assets. End action request.

SISON